

Form 481 Line 1210- Terms & Conditions for Lifeline Customers

Peoples Mutual Telephone Company provides a Lifeline Program discount for residence service for eligible low income customers. The Lifeline Program discount is applied to any month to month residence local service, package or bundle offering. The discount is intended to offset the Subscriber Line Charge and local line charge, although eligible packages and bundles may have toll calling included in the pricing for the offering.

The tariff pages outlining the terms of the Lifeline offering in Peoples Mutual Telephone Company are attached.. The terms and conditions of residential local service can be found at <http://www.tariffs.net/fairpoint/tier.asp?cid=1644>.

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GENERAL EXCHANGE TARIFF

Peoples Mutual Telephone Company
d/b/a FairPoint Communications

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VIRGINIA UNIVERSAL SERVICE PLAN

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The Virginia Universal Service Plan (VUSP) is a program which was developed to help low income customers have local service. The Company participates in the Lifeline assistance program to increase the availability of telecommunications services to all consumers in its serving areas. The structure of the program is outlined in the following paragraphs below.

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1. General
Eligibility Requirements
Lifeline Assistance is available to all residential customers who meet the following eligibility requirements:

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- A. Customers must not be a dependent for federal income tax purposes, unless they are more than 60 years of age.
- B. Customers must be certified by the appropriate state agency. Such certification must be provided to the Company. Certification will be based on criteria established by the Virginia State Corporation Commission.
- C. Lifeline Assistance will continue to be provided to a customer only as long as a customer meets the qualification criteria outlined above. The continuation of qualification for Lifeline Assistance must be re-certified by the appropriate state agency every 12 months for customers, following the establishment of the Lifeline Assistance. Without such recertification, the customer's assistance will be discontinued.
- D. When the Company receives notice from the appropriate state agency, or the customer, that the customer is no longer meeting the qualification criteria outlined above, the Company will then notify the customer that the assistance will be discontinued or changed to another class of residential service.

2. Lifeline Assistance

- A. General
Lifeline Assistance provides a credit against an eligible customer's monthly rates for local service. An eligible customer receives credit against the Federal Subscriber Line Charge as well as a credit towards the residential access line rate.
- B. Regulations
 1. The customer must meet the eligibility requirements outlined in Paragraph 1. above.
 2. As a participant in Lifeline Assistance, customers are eligible to receive Toll Restriction at no charge. This service will only be provided at the customer's request.
 3. Customers eligible for Lifeline Assistance are not required to pay a deposit if the customer does not owe the Company for previous service and the customer voluntarily receives Toll Restriction Service. Lifeline Assistance will not be connected if an outstanding balance is owed by the customer for local service.

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- 2. Lifeline Assistance (cont'd) (T)
 - B. Regulations (cont'd) (T)
 - 4. Participants in Lifeline Assistance shall not be, disconnected from Local Service, for non-payment of toll charges, but may be required to use toll restriction. In addition, the Company will not deny re-establishment of local service to customers who are eligible for Lifeline Assistance, and have previously been disconnected for nonpayment of toll charges, provided they apply for toll restriction.
 - 5. Partial payments that are received from Lifeline customers will first be applied to local service and then to any outstanding toll charges.
 - 6. If a customer on Lifeline Assistance is no longer qualified for assistance, no service charges apply for changing to a Residence Local Exchange Access Line normally provided to the customer's premise.
 - C. Credits
 - See Section 4 below for credits which apply.
- 3. Reserved for Future Use (T)

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4. Credits

A. Lifeline Assistance

The credit allowed for Lifeline Assistance will be the minimum credit required for small rural telephone companies in Virginia.

The following credits will apply initially for each customer eligible for Lifeline Assistance:

1.	Federal Subscriber Line Charge Credit	\$6.50	(R)(C)
2.	Credit to Residential Access Line	\$4.50	(R)(C)
			(D)
			(D)

B. Reserved for Future Use

C. Adjustments

Adjustments to these credits will be made as required by the proper regulatory bodies and the recovery mechanisms.

Please complete the statement below:

The total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations is:

	Year 1	Year 2	Year 3
\$			

Please use this tab to report census block information indicating where funding was spent.

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